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C O N F I D E N T I A L SECTION 01 OF 02 LAGOS 002058

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AMEMBASSY GABORONE FOR LESLIE BASSETT  
AMEMBASSY FREETOWN FOR ALEX SEVERENS  
OPIC COLLECTIVE FOR CONAL DUFFY

E.O. 12958: DECL: 10/02/2013

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SUBJECT: NLC PLANS TO BOYCOTT ALL AFRICA GAMES AS PART OF A  
NATIONAL PROTEST AGAINST THE GAS PRICE HIKE

REF: LAGOS 02043 ABUJA 01700

Classified By: Laboff Michael Veasy Reason: 1.5 (B & D)

1. (U) On October 1, gas stations throughout the nation increased their prices from 34 naira per liter to 39.5 naira in Lagos and Abuja and as much as 60 naira per liter in several states in the east. While the majority of gas stations have raised prices (a handful of Nigerian National Petroleum Corporation (NNPC) pumps are still charging 34 naira). Although the GON announced the start of deregulation of gas prices, it did not specifically mention an increase. Following the price hike, The Nigeria Labour Congress (NLC) announced that it plans to protest the overnight increases in fuel prices by calling a general strike and asking all Nigerians not to attend the upcoming All Africa Games.

2. (U) The NLC has moved up its National Executive Council meeting from October 6 to October 4 in Ibadan so that labor leaders have more time to organize if they decide to begin mass protest on Monday. Labor leaders also met with forty-two human rights organizations in Lagos midday on October 3 to formulate a unified strategy. In addition, the NLC has received support from the Congress of Free Trade Unions (CFTU), Nigeria's newest trade union center. The CFTU is comprised of senior staff associations who disassociated themselves from the Trade Union Congress (TUC) following complaints that the TUC leadership misled its constituents during the previous gas price strike in June.

3. (U) Laboff spoke with Bayo Olowoshile, Acting General Secretary of the Petroleum and Natural Gas Senior Staff

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Association of Nigeria, who expressed concern about Nigeria's image as it prepares for the All Africa Games. PENGASSAN represents managers and senior-level employees within the petroleum sector. Consistent with its softer stance during the previous strike, which prompted the TUC split, Olowoshile told Laboff that PENGASSAN is trying to convince the NLC to shelve the strike and seek other options. However, NLC General Secretary John Odah said the NLC remains unsympathetic with regard to the impact on the games, since the GON was aware of the possible fallout.

4. (C) NLC President Adams Oshiomhole told Poloff that PENGASSAN is not on board for a national strike, but he thought they would come around when they were isolated. He said NUPENG would not take independent action such as telling its workers to stop hauling gasoline. However, he was quite loud and clear to poloff and several other interlocutors that the problem was Obasanjo trying to get his way without consulting, not deregulation per se. He said Obasanjo could have talked with the NLC and other stakeholders about a small price hike if the GON needed money for the All Africa Games or other projects, and would probably have won agreement to adding 2-4 naira.

5. (U) In Lagos, labor leaders will probably extend their efforts to incorporate growing protests over recent restrictions on danfo buses, since they see the ban as another example of government policies that have increased transportation costs for Nigerian workers whose salaries are already well below an acceptable living wage. Danfo buses serve as an informal public transportation system widely used throughout the country by a majority of Nigerians. Workers claim that the decision to replace danfo buses with city buses in parts of Lagos has failed to provide viable options, since the new public transportation has extremely limited capacity to accommodate the large number of Nigerians who previously used the informal system. In addition, the cost of public transportation has increased more than fifty percent. For example, commuters who paid 20 naira for danfo

buses in Lagos are now paying 50 naira for government-operated transport.

16. (C) Comment: The issue of gas price deregulation was noticeably absent from President Obasanjo's October 1 Independence Day address, which has led to claims by NGOs and labor leaders that the GON intentionally deceived the Nigerian public. Labor will use this claim to mobilize general support of its planned boycott of the All Africa games in Abuja. Senior GON officials told Econoff that the deregulation decision was taken two weeks ago in the Federal Executive Council. The GON plan was to say nothing and access the climate after deregulation took effect, adding that the non-announcement gives the GON the ability to fine tune its position if there is a major labor crisis.

17. (U) There is a fair amount of disingenuous behavior on both sides. The GON is claiming that it deregulated but did not "increase" the price, while the unions claim that they were not warned. In fact, everyone has been waiting since July for the price increase shoe to drop. The outstanding question is whether the games or unrest will force the GON to back down again.

18. (C) For his part, Mobil Managing Director Mike Fry said that while he was not responsible for Mobil's downstream operations, he believed Mobil, CTN and Agip would all keep their prices across the country in the 38-39.5 naira band for October in response to the letter of instructions from the GON, but raise prices gradually to the 58-60 naira break-even price for importing gasoline. End comment.  
HINSON-JONES